



STATE OF NEW JERSEY

Board of Public Utilities

*Two Gateway Center
Newark, NJ 07102*

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION FOR)
AN ORDER AUTHORIZING LOOKING)
GLASS NETWORKS INC. TO PROVIDE)
LOCAL EXCHANGE AND INTER-)
EXCHANGE TELECOMMUNICATIONS)
SERVICES THROUGHOUT NEW JERSEY)

ORDER OF APPROVAL

DOCKET NO. TE00050288

(SERVICE LIST ATTACHED)

BY THE BOARD:

By letter dated May 11, 2000, Looking Glass Networks, Inc. (Petitioner or Looking Glass) filed a petition with the Board of Public Utilities (Board) requesting authority to provide local exchange and interexchange services throughout the State of New Jersey. In addition, Looking Glass informed the Board that it relocated to its current address by letter dated October 3, 2000 and also responded to a staff questionnaire by letter dated November 16, 2000 and to Staff interrogatories by letters dated February 28, 2001 and March 12, 2001.

According to the petition, Petitioner was incorporated under the laws of the State of Delaware on April 5, 2000. Petitioner's principal offices are located at 1111 W. 22nd Street, Suite 600, Oak Brook, Illinois 60523. November 13, 2000 letter.

Petitioner submitted copies of its Articles of Incorporation, Delaware Certificate of Good Standing and its New Jersey Authority to Operate as a Foreign Corporation. Petition at 4, Exhibits A,B. February 28, 2000 Letter at 2, Exhibit A. According to the petition, Looking Glass was formed to provide local exchange and interexchange services. Petition at 1. February 28, 2001 Letter at 1. Petitioner advised that Looking Glass is currently certified to provide facilities-based and resold local exchange telecommunications services in California, Colorado, District of Columbia, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Minnesota, Missouri, New York, Ohio, Oregon, Pennsylvania, Texas, Virginia and Washington. February 28, 2001 Letter at 2. Looking Glass has not been denied authority to provide telecommunications services in any state. In addition, Looking Glass has no pending civil, criminal or administrative actions against it.

Looking Glass advised that it currently has an interconnection agreement with Verizon New Jersey pending before this Board in Docket TO00100800.

In its petition, Petitioner advised that it seeks authority to provide local exchange and interexchange telecommunications services to other carriers, government and corporate customers throughout New Jersey. Looking Glass intends to provide service through its own non-switched, fiber optic facilities. Petition at 7, 8.

Petitioner requested waivers of N.J.A.C. 14:1-4.3 and 14:1-5.15, which require that its books and records be maintained in accordance with the Uniform System of Accounts (USOA) and within the State of New Jersey. Petitioner requested, in the interest of efficiency and to prevent undue burden, permission to maintain its books and records in accordance with Generally Accepted Accounting Principles (GAAP). Petition at 4. Petitioner also requested permission to keep all books, records, documents and other writings incidents to the conduct of business of Petitioner in the State of New Jersey at Petitioner's corporate office in Illinois. Petition at 5. Petitioner also stated that, upon written notice from the Board, it will produce its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner asserted that approval of its petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petition at 8. Petitioner also asserted that approval of this petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings. Petition at 8.

With regard to its technical and managerial qualifications, Looking Glass stated that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petition at 5. Petitioner submitted the professional biographies of its key personnel who, according to Looking Glass, are well qualified to execute its business plans, and have extensive managerial and technical experience in the telecommunications industry. Petition at 5, Exhibit D.

Petitioner has submitted its most recent financial statement and a financing commitment to provide additional financing, as evidence of sufficient financing. Petition at 4, Exhibit C. February 28, 2001 Letter at 2.

By letter to the Board dated February 16, 2001, the Division of The Ratepayer Advocate recommended approval of this petition.

DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical and managerial integrity.

In considering this petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's decision that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Looking Glass's petition and the information supplied in support thereof, the Board FINDS that Petitioner has demonstrated that it possesses the requisite financial, technical and managerial resources, which are necessary to provide telecommunications services, in New Jersey. Accordingly, the Board HEREBY AUTHORIZES Petitioner to provide local exchange and interexchange telecommunications services in New Jersey subject to approval of its tariffs and the submission of its own pro forma financial statements. The Board notes that Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board and the required financial statements have been provided. Regarding the Petitioner's request for waivers of Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements to maintain its books and records under the USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board access to its books and records upon 48 hours notice, and in the manner requested and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records,

the Board APPROVES Petitioner's request for exemption from maintaining its books and records in New Jersey and under the USOA.

DATED: 4/12/01

BOARD OF PUBLIC UTILITIES
BY:

(signed)
CAROL J. MURPHY
ACTING PRESIDENT

(signed)
FREDERICK F. BUTLER
COMMISSIONER

ATTEST:

(signed)
FRANCES L. SMITH
BOARD SECRETARY